

# Just like clockwork

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**Whether it's seeking divine guidance from the Dalai Llama or traversing the galaxy with the new Star Wars film, Revenge of the Sith, Orange certainly gets around. It's not surprising, when you consider that the wireless telecommunications company is one of the largest mobile operators in the UK with more than 14 million customers.**

Since its launch in 1994, Orange has become synonymous with humorous, unconventional marketing campaigns, from the now iconic "the future's bright, the future's Orange", to the Orange Wednesdays film campaign promoting two-for-one cinema tickets, in which hapless Hollywood actors, including Patrick Swayze, Verne Troyer (Mini Me) and Sean Astin (Samwise Gamgee of Lord of the Rings) pitch their scripts to the Orange Film Funding Board.

The strategy has won critical acclaim. Campaign Screen magazine said of the Orange Wednesdays campaign: "It's a brave client who doesn't mind being ridiculed and it's probably only clients like Orange and agencies like Mother that are prepared to stick their neck out like this. Yet by doing so, Orange appears even more credible and down to earth."

So how has Orange managed to launch successfully into an already crowded market and rise to become one of the UK's most recognisable brands, with a market share of more than 27.2 per cent?

Harry Smeding, Orange's regional sourcing director in the UK, believes the secret lies in the company's strategic approach and the close relationship between sourcing and marketing. "Our brand is arguably our biggest asset, so looking after it has huge strategic significance. That's why it makes sense for

sourcing to be involved in marketing activity every step of the way. We're all trying to achieve the same result at the end of the day: to get, or keep, Orange at number one across all our markets."

He continues: "When the brand was launched, our aim was to become the most personal telecommunications company in the world, with a reputation for being open and honest with customers and employees. Our marketing activity reflects that, from the simplicity of the Orange logo to the fact that we don't focus on phones in our ads.

"Orange is about communication, customer benefits and a personal approach - reflected by campaigns such as Orange Wednesdays."

## Encouraging creativity

Rachel Scarrett, head of commercial sourcing at Orange, agrees: "Our involvement with marketing goes way beyond handling commercial negotiations with agencies. Our job is to help our marketing colleagues to translate Orange's strategic marketing objectives into reality. We've built up a high level of market knowledge over the years and understand how market intelligence can ensure we maximise our purchasing effectiveness.

"I don't think purchasers realise how much of marketing can be influenced by sourcing, from finding agencies that share our vision to getting maximum value for money from our budgets."

Smeding also believes sourcing has a role to play in enhancing the process day to day, by working with marketing to improve practices such as briefing.

"Briefing is a key area where we can bring in efficiencies," he says. "If our agencies understand what we're trying to achieve from the first, they're more likely to deliver a spot-on campaign. And that's good news all round - not only financially, but in terms of strengthening relationships and keeping creative enthusiasm high."

Understanding the creative process is vital. Smeding and Scarrett have invested a lot of time talking to Orange's agencies, which means they can pinpoint where the value lies within each agency and across specific campaigns.

Scarrett says: "We've been able to develop a sophisticated toolkit to track the brand and measure the performance of individual campaigns and agencies, so we've always got a commercial handle on creativity. Traditionally, there's been a gap between commercial and creative. But I think Orange proves that, far from stifling creativity, a commercial approach can actually encourage creative thinking."

By putting a real, commercial value on intangibles such as creativity and client-agency chemistry, Orange has attracted some of the best agencies in the business and created some of the most memorable campaigns. It achieves this by using qualitative and quantitative measures to track the performance of agencies and campaigns, and agencies' remuneration packages are partly linked to meeting key measures.

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Scarrett explains: "We use questionnaires filled in by marketing and third-party tracking companies to gauge how well agencies are performing, as well as hard financial targets linked to Orange's business drivers. That way, we can measure subjective things such as relationships, culture and innovation in a consistent way with clear parameters. By rewarding performance in these areas, we're sending our agencies a clear message that we value these things, not just the quantitative."

## Quantity and quality

Scarrett adds: "There are lots of ways to measure creative performance, including tracking Orange's 'share of voice' in the wireless telecoms market; brand awareness among consumers; and the level of retention of specific campaigns. Some marketing activities can be measured even more succinctly - such as the response rates generated by direct marketing campaigns."

It's worth noting that purchasers can only measure value accurately if they really understand the creative process, underlining the importance of working together from the outset.

Smeding says: "It's not a power game at Orange, or about sourcing trying to gatecrash the marketing party. A lot of our success has come from finding the right people for the job. Marketing purchasing is still a fairly new area and one thing I'd stress is that our success has been down to relationships. By setting out clear process roles and responsibilities, we all know who does what. This is key, especially in marketing, where multiple campaigns are turned around in a short space of time. I think it's helped to encourage a culture of taking responsibility, rather than passing the blame."

While phrases such as "key performance indicators" and "roles and responsibilities" may not sound particularly creative, they have played a part in getting the Orange brand where it is today. As Smeding points out, "marketing and sourcing have a lot in common from a commercial point of view. Both are about engaging with markets and we often run cross-divisional training courses, in recognition of this fact. For example, we recently ran a course on negotiation for sourcing and our sales force."

However, he stresses that success has been a journey, not a quick fix. "Sourcing got involved with marketing about seven years ago, but we took things slowly and proved our worth."

"I'd advise people to go for the low-hanging fruit first, such as fee negotiations, but to remember it's not only about reducing rate card but driving value. Then review the production costs and process efficiencies. It was a process of gaining credibility, but it's been worth it."

Orange operates globally and has expanded its reach with sister companies France Telecom, Equant and Wanadoo. Scarrett's team has become a role model for a similar approach in other countries, including Belgium and the Netherlands.

"Orange in the UK has been leading the way in marketing purchasing, and our European colleagues often pick our brains," she says.

Smeding concludes: "It's not so much about different countries, it's about differentiating approaches for the things you buy dependent on your business needs and the supply market dynamics. Being involved in marketing has taught us some useful purchasing lessons in that respect."

"Purchasers often think in terms of an A-Z process, but marketing isn't always like that - it's about being customer-centric and using different approaches. Buying media space, for instance, is commodity based, while buying creativity isn't - I think of agencies as creative brains on legs, with a value that needs nurturing and treasuring."

As the ironic humour of the Orange Wednesdays campaign enforces, the company has made its name by doing the opposite of what the business-centric Orange Film Funding Board does, and as a result, has rewritten the script of traditional telecoms marketing - on screen and off.

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